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Dairy and Products

European Dairy Association against eliminating export refunds in WTO talks

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Report Highlights:

The European Dairy Association and Eurolait presented a position paper to the European Parliament in which they oppose the elimination of export refunds in the WTO Doha round negotiations. The EU dairy industry position is that under the current milk production quota system the Common Market Organization for dairy can't survive without export refunds. A reduction in supported volumes of EU dairy export is not acceptable to them, only a reduction in export refund levels and expenditure.

Includes PSD Changes: No
Includes Trade Matrix: No
Unscheduled Report
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[E3]

The European Dairy Association (EDA) and Eucolait, which represent the EU milk processing industry and the EU dairy trade respectively, commonly presented a position paper, dated April 2005, to the European Parliament (EP). In this paper they explain the position of the EU dairy industry with regard to the WTO Doha round negotiations. Their position focuses on the three pillars of export support, market access and domestic support.

The EU dairy industry opposes the elimination of export refunds, because they think that without a reform of the milk production quota system, which were agreed to continue through 2014/2015, the Common Market Organization (CMO) for dairy can't survive without export refunds. The industry believes that the elimination of this "main market management instrument" could result in serious disruptions to the whole EU dairy market. A reduction in supported volumes of EU dairy export is not acceptable to the industry, only a reduction in export refund levels and expenditure.

On market access, the EU industry deems the EU proposal for a 36 percent reduction of bound import tariffs is acceptable, provided that butter and whole milk powder (WMP) are designated as sensitive products. The industry insists that import duties remain expressed in fixed tariffs, with the conversion of fixed duties in ad valorem only as a necessary exercise to calculate tariff reductions. Also, the industry considers the €/ \$ exchange rate should be taken into account in any agreement.

Concerning domestic support, the industry wants any outcome of the WTO negotiations to secure all provisions of the last CAP-reform.

The European Commission, not the European Parliament, is responsible for the WTO negotiations. By presenting their position to the EP, the EU dairy industry is looking for broader support for their concerns about the EU concessions in the Doha round. Even if the EP has no direct say in the WTO negotiations, the European Commission and the Council will take the EP opinion into concern.

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